

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 6862**

**BILL NUMBER: SB 200**

**NOTE PREPARED: Dec 19, 2003**

**BILL AMENDED:**

**SUBJECT:** Waiver of Property Tax Penalty.

**FIRST AUTHOR:** Sen. Zakas

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:**     **GENERAL**  
                              **DEDICATED**  
                              **FEDERAL**

**IMPACT:** Local

**Summary of Legislation:** This bill allows a county treasurer to waive the penalty added to a delinquent November installment of property taxes if the taxpayer (1) requests a waiver from the county treasurer; (2) has not previously failed to pay an installment of property taxes attributable to property located in the county on or before the due date; (3) did not receive notification that the tax was due within the two months preceding the date on which the installment of property taxes was due; and (4) pays in full the property tax installment considered delinquent. The bill allows a refund of penalties paid with delinquent November property taxes if the county treasurer determines that the taxpayer would have qualified for a waiver of the penalty.

**Effective Date:** July 1, 2004.

**Explanation of State Expenditures:**

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** Under current law, if an installment of property taxes is not paid on or before the due date, a 10% penalty is added to the unpaid portion of the taxes. The proposal provides that with respect to penalties applied to a November installment of property taxes, a county treasurer must waive the penalty if the taxpayer requests a waiver, has not previously failed to pay property taxes, did not receive a notification that the tax was due within the two months preceding the due date, and pays the principal of the November installment before December 10. The taxpayer may request a refund of the penalty from the county treasurer. The county treasurer must allow the refund if the taxpayer qualifies under the conditions specified above. This provision applies only to property taxes first due and payable after June 30, 2004.

The above provision will increase administrative expenses for the county treasurer by an indeterminable amount. The impact will depend on the number of requests for a refund.

**Explanation of Local Revenues:** Providing that the county treasurer must waive penalties applied to certain delinquent taxes will decrease revenue generated by the penalty. The specific impact is indeterminable. Revenue collected from penalties are distributed to all taxing units in the same manner that all property taxes are distributed.

**State Agencies Affected:**

**Local Agencies Affected:** County treasurers and all local taxing units.

**Information Sources:**

**Fiscal Analyst:** Bernadette Bartlett, 317-232-9586.